

# Supplier Social Responsibility Advisory Workgroup Agenda

Friday, October 10, 2008 (1:00 - 4:00 p.m.)

Liquor Control Board Headquarters, Olympia – Conference Room 201

Time	Topic	Discussion Leader	Expected Outcome
1:00 – 1:10	Welcome, review meeting agenda, introductions	Mona Moberg	Introductions made and meeting agenda reviewed
1:10 – 1:30	Review meeting notes and action items from September 5 <sup>th</sup>	Mona Moberg	Clarify any changes and report back on action items
1:30 – 2:10	Finalize definition of “supplier social responsibility” and linkage to LCB mission	Debi Besser	Agreement on definition
<b>2:10 – 2:25</b>	<b>BREAK</b>		
2:25 – 3:45	Brainstorm measures for supplier social responsibility contributions <ul style="list-style-type: none"> <li>Discuss how to reflect the contributions on the scorecard.</li> <li>Discuss how to reflect the contributions for suppliers not on the scorecard</li> </ul>	Mona Moberg	Measures drafted and general ideas for how to reflect contributions
3:45 – 4:00	Wrap up, meeting feedback	Debi Besser Mona Moberg	Identify next steps and any assignments
<b>4:00</b>	<b>ADJOURN</b>		

9/18/08 (mlm)

## Future Scheduled Meeting Dates:

- November 17, 2008 (2 - 5 p.m.)
- December 4, 2008 (1:30 - 4:30 p.m.)
- January 5, 2009 (1 - 4 p.m.)
- February 23, 2009 (1 - 4 p.m.)

All meetings held at LCB Headquarters, Olympia, Conference Room 201 (unless otherwise noted on meeting request).

## Workgroup Members:

Lorraine Lee, LCB  
Ruthann Kurose, LCB  
Kimberly Ward, LCB  
Matt McCarthy, DRAW  
Brent Young, Remy Cointreau USA (DRAW President)  
Matt McCarthy, Southern Wine/Spirits West (DRAW VP)  
Arick Liske, Diageo North America  
Jeff Barr, Bacardi  
Bill Ingersoll, Young's Columbia  
Meagan Renick, LCB

Pat McLaughlin, LCB  
Debi Besser, LCB  
Mona Moberg, LCB  
Steve Burnell, LCB  
Michael Langer, DSHS  
Terry Adams, Ste. Michelle  
Kathe McDaniel, LCB  
Brian Smith, LCB  
Tony Masias, LCB  
Jim Hutchins, LCB

The mission of the Washington State Liquor Control Board is to contribute to the safety and financial stability of our communities by ensuring the responsible sale, and preventing the misuse of, alcohol and tobacco.

Supplier Social Responsibility Advisory Workgroup  
October 10, 2008

**Workgroup Attendees:**

Lorraine Lee, LCB Board Chair  
Pat McLaughlin, LCB  
Brian Smith, LCB  
Mona Moberg, LCB  
Kathe McDaniel, LCB  
Tony Masias, LCB  
Jeff Barr, Bacardi  
Matt McCarthy, Southern Wine/Spirits West (DRAW VP)  
Debi Besser, LCB  
Kimberly Ward, LCB  
Steve Burnell, LCB  
Michael Langer, DSHS/DASA  
Arick Liske, Diageo North America  
Terry Adams, Ste. Michelle

**Observers/Guests:**

Phil Wayt, WBWWA  
Michael Transue, WA Restaurant Assoc  
Carrie Tellefson, DRAW  
Jeff Gombosky, Anheuser Busch  
Scott Hazelgrove, Hood River Distillers  
Katie Jacoy, Winn Institute

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**The workgroup members were welcomed and introduced.**

**The group went over the minutes from the previous meeting held on September 5<sup>th</sup>.**

**The group went over the agenda for the meeting.**

**Action Items**

Arick Liske, Diageo North America, provided handouts:

\*The Responsible Retailing Systems Project : Year 1 Report. – Cover some of the social responsibility efforts from the industry

\*North Carolina Responsibility Programming - Discusses how they are doing their billboards: 15 – 20% of space is used for social responsibility. They are also educating their employees about appropriate ID carding.

\*In the Business of Being socially Responsible – A good perspective on the beer side and what the industry has been doing.

## **Review of Definition**

Debi Besser introduced the proposed definition of “Supplier Social Responsibility”, with members feedback incorporated, and described how it was created from the previous meetings discussion. The group was then asked to come to an agreement on finalizing a definition of “supplier social responsibility” and how it is linked to the Liquor Control Board (LCB).

The following is the proposed definition, with member feedback received by email incorporated:

Supplier Social Responsibility is:

- Providing and supporting effective solutions to prevent youth access to alcohol.
- Minimizing youth exposure to alcohol advertising.
- Providing effective solutions to prevent over consumption.
- Providing education and tools to help people make healthy decisions by understanding alcohol’s effects on themselves, their families and communities.
- Being a good steward for local communities and the environment.

## **Discussion of Definition**

Matt McCarthy: Views the definitions in a more visual format. Perhaps organize as pillars.

Jeff Barr, and others: How are we defining “supplier”?

Phil Wayt: Beer & Wine also utilizes tools. This effort not limited by product, it should encompass all products.

For the purpose of this workgroup, the sponsors and team leader clarified that “Suppliers” refers specifically to LCB’s direct suppliers of liquor products, which includes primarily spirits, but also wine and beer supplier that sell to the Board.

Terry Adams: Is there a difference between the message itself and the tools that goes into delivering the message?

Mona Moberg: We should get a sense of common language and then the measurements.

Kimberly Ward: Doesn’t see that environment should be included in point #5. We are LCB – we should focus on what we can most impact.

Matt McCarthy and Arick Liske: Environment should be included. Green efforts can include bottles, and packaging, and production methods.

Pat McLaughlin: The Governor has also established environment as a priority. However, he agreed that we want to focus on our main priority.

Lorraine Lee: We should keep environment, as a catch all. It's hard to articulate and get down to the specifics, but we need to keep it in the picture as it can be measured.

After discussion, the group decided that we should look at measure to determine the exact final wording of the definition.

### **Brainstorming measure possibilities**

The group discussed what an output vs. an outcome is. Example:

Output is the # of compliance checks performed

Outcome is that we prevent youth from buying alcohol 96% of the time

Group broke up into groups for brainstorming what measures could quantify each of the bullet points of the definition, and then rank the potential measures. The ranking should take into account how effectively it measured the item, and the ability to obtain data.

### **Brainstorming Results**

#### *Providing and supporting effective solutions to prevent underage access*

1. Training - ID/over-service, MAST (number of people trained, number of classes offered, percent of people trained).
2. Compliance checks - number, frequency, percent of stores checked annually.
3. Partnerships - number of partnerships between suppliers and local coalitions, amount of money contributed.
4. Anti-drinking Messages – industry publications, percent of youth exposure, number of messages.
5. Arrests - number/percent and type of arrest (MIP).
6. Incidents – number/percent of incidents where alcohol provided by friends or family.
7. Product placement – shoplifting of single cans.

#### *Minimizing youth exposure to and impact of alcohol advertising*

1. Compliance with DISCUS Code – audience share (70/30), content standards, website.
2. Out-of-Home (OOH) placement – proximity to youth focused area.
3. Out-of-Home (OOH) content – percent of social responsibility messaging (complaints, reviews/denials, of media ads such as radio/TV, OOH, local print.

#### *Providing effective solutions to prevent over consumption through education and tools to help people make healthy decisions by understanding alcohol's effect on themselves, their families, and communities*

1. Providing educational materials via electronic (TV, radio, text) – measure web hits; via print (brochures, billboards, server cards) – measure brochures distributed; via training (industry, MAST) – measure people trained, increased awareness of over-service laws.
2. Alcohol-related traffic incidents – measure DUI's fatalities, drop in BAC levels.
3. Licensee enforcement incidents.
4. Underage consumption habits.
5. Industry-related materials.

### *Being a good steward of local communities and the environment*

1. Level of community involvement (samples of materials and programs created for communities, charitable donations, community food drives).
2. Green policies (green packaging, use of recycled products, etc.).
3. Responsible advertising (adherence to DISCUS codes, compliance with LCB laws).

### **Open Discussion**

Education is seen by the group as the number one vehicle to get the word and effect desired outcome. Tony stressed the need to increase the awareness of the outcome of over service and overconsumption. The commonalities that the entire group shares are: No sales to underage, and no over-service sales. The group discussed the need to determine how this success is/will be measured? Also, it will be important to make people feel good about making better decisions instead of only being aware of what the consequences exist.

### **Measurements / Tie to Scorecard Discussion**

The final measures will need to be able to be measured at an individual supplier levels if it is to be used to measure individual suppliers, and linking to supplier scorecard for largest suppliers. POS materials could be part of any standard.

Lorraine asked if there were concerns around any of the measurements, if certain segments of the industry did not feel they were as far in social responsibility efforts as others.

Terry expressed that typically the wine industry as a whole:

- Do not advertise as much; mainly relies on in store advertising
- Have smaller operations
- Have own following
- Need to consider how to bring those in the industry up to speed as others are further ahead.

Arick suggested that the “feet on the street” approach is effective. The MAST / Tips training pyramid where a handful of people are trained and they in return continue the process. Mid to smaller companies need to be a part of the process as well. Matt stated that as an industry, everyone needs to take pride in what is being done for social responsibility. Lorraine emphasized that those that are taking part in the process deserve to be recognized as this is where best practices are shared.

Pat McLaughlin: Some companies are better set up for success. Some won’t agree; however suppliers can choose which part of the social responsibility measurement they want to get behind. Static measurement may be an annual assessment.

Terry added that the following should be considered:

- Program will take time to implement
- The results, most likely, will not change quickly
- Onus should be on the supplier; grade themselves
- Silver / Gold standard should be the outcome

Jeff agreed that companies should rate themselves, due to each one being different. Also, bringing this measure back to the companies would drive change. The scorecard has direct effect on profits.

Tony added that this provides the opportunity to work together and the importance of considering that the measurement not be “forced” into a scorecard if it could be done better using a different mechanism.

Lorraine expressed that sustainability is not outside the scope of discussion regarding “social responsibility” but understands that it is a huge area to grapple with, as the standard varies by company.

The DISCUS Code was discussed. Terry stated that beer and wine companies frequently adhere to that standard. Tony emphasized that this was a great standard but not everyone is involved. Matt stated that DRAW formally adheres to DISCUS code. DISCUS lists its members on the website at [www.discus.org](http://www.discus.org).

It was suggested that at the next meeting there was a briefing regarding the DISCUS code as some may fall outside scope.

#### **Action Items**

- Debi will make contact for a representative of DISCUS to attend the meeting and set time aside to review the code and discuss.
- Debi will lead an internal discussion of the measures, definitions of measures and provide a proposal out to the group.

The meeting was adjourned.